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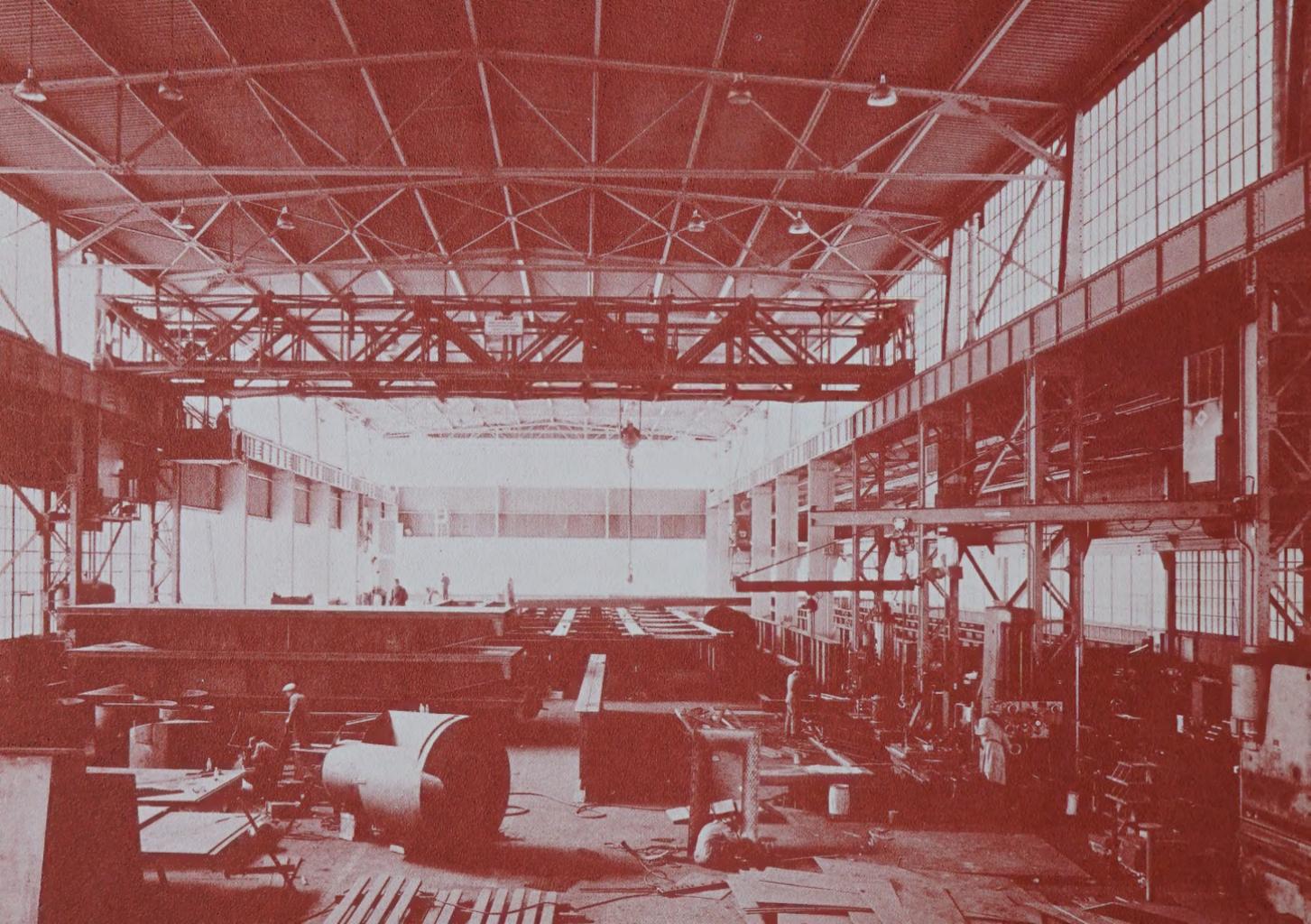


ANNUAL REPORT 1964

CANADA
MACHINERY
CORPORATION
LIMITED

file

GALT, ONTARIO
CANADA



Directors

HUGO STINNES

DIETER STINNES

J. C. SCANLON

W. L. RESSEGUIER

MARCEL PICHE

Report

CORPORATION LIMITED

31, 1964.

Officers

Chairman of the Board

HUGO STINNES

President

DIETER STINNES

Vice-President

and Secretary

MARCEL PICHE

Treasurer

JAMES FLAVELLE

General Manager

E. L. PETER

bmit the Annual Report of your Company, comprising the Balance Sheet as at January
ts of Income and Retained Earnings for the year ended on that date as reported upon
rs.

iew, there was a loss of \$393,005 as compared with a loss of \$18,650 for the previous
the end of the year amounted to \$1,729,429 and the Working Capital was \$868,560
s due on December 1, 1964 have been almost fully covered.

lers did not materialize, volume of business declined considerably in the year under
he above stated loss. Moreover, the competitive nature of business obtained affected
Management is confident that with present orders on hand satisfactory results for the
ected. Further additions were made to the production equipment in the Galt and
Company continues its policy of maintaining its assets in excellent condition.

portunity to express their sincere appreciation to the employees of your Company for
ion.

on behalf of the Board,

DIETER STINNES, *President.*

CANADA MACHINERY CORPORATION, LIMITED

(Incorporated under the laws of Canada)

BALANCE SHEET AS AT JANUARY 31, 1964

ASSETS

Current Assets:

Cash
 Accounts receivable
 Less: Allowance for doubtful accounts

	\$ 205,836
	\$ 411,465
	2,000
	<hr/> 409,465

Inventory of raw materials and supplies at the lower of cost or market and finished goods and goods in process at factory cost

	226,551
	511,400
	1,220
	739,171
	1,368
	13,071
	<hr/> 1,368,911

Raw material and supplies
 Goods in process
 Finished goods

Income taxes recoverable

Prepaid expenses and accrued interest

Life Insurance — cash surrender value

Investments:

Shares of wholly owned subsidiary companies — at cost
 Other shares at cost
 Advances to wholly owned subsidiary companies
 Note receivable

	87,005
	217,199
	326,597
	646,831
	<hr/> 1,277,632

Fixed Assets — at cost

Land
 Buildings, machinery, equipment, patterns, pavement and leasehold improvements
 Less: Accumulated depreciation

	9,800
	3,297,238
	<hr/> 3,307,038
	2,723,316
	583,722
	<hr/> \$ 3,254,780

LIABILITIES

Current Liabilities:

Accounts payable
 Accrued expenses
 Amount owing to a wholly owned subsidiary company

Amounts received from customers on uncompleted orders

	\$ 374,965
	100,548
	3,005
	21,833
	<hr/> 500,351

Long-Term Liabilities:

First mortgage sinking fund bonds —
 Authorized — \$1,000,000
 Issued — \$700,000 Series "A", 4½% redeemable, maturing December 1, 1970 of which \$382,000 has been purchased and cancelled. Sinking fund requirements are \$45,000 annually, 1963 - 69 inclusive.....

318,000

Second mortgage sinking fund debentures
 Authorized — \$1,000,000
 Issued — \$500,000 Series "A", 5% redeemable, maturing December 1, 1972 of which \$204,000 has been purchased and cancelled. Sinking fund requirements are \$25,000 annually, 1963 - 71 inclusive.....

	296,000
	614,000
	<hr/> 1,114,351

Shareholders' Equity:

Capital stock:
 Authorized — 150,000 shares without nominal or par value:
 Issued — 100,000 shares

	411,000
	1,729,429
	2,140,429
	<hr/> \$ 3,254,780

Approved on behalf of the Board — DIETER STINNES, Director; MARCEL PICHÉ, Director.

CANADA MACHINERY CORPORATION, LIMITED

(Incorporated under the laws of Canada)

STATEMENT OF INCOME

For the Year ended January 31, 1964

Operating Loss before the following Items

Add:		
Depreciation	\$ 111,969	\$ 217,998
Executive remuneration and solicitor's fees	93,705	
Other directors' fees	1,700	
Interest —		
on bonds	15,638	
on debentures	15,415	
Pension fund contributions	26,488	264,915
		482,913

Income from Investments:

Operating Loss for the year

Non-Operating Revenues:

Gain on sale of fixed assets	20,849
Discount on bonds and debentures purchased for cancellation	2,782
Gain on realization of investment	16,806
Dividend — German	21,388

Deduct: Foreign exchange adjustment on capital funds

Loss for the year

		34,847
		448,066
		20,849
		2,782
		16,806
		21,388
		61,825
		6,764
		55,061
		\$ 393,005

STATEMENT OF RETAINED EARNINGS

For the Year ended January 31, 1964

Retained Earnings at beginning of the year

Adjustments resulting from write-off of uncashed dividend cheques, issued prior to 1956	\$ 2,122,252
	182

Deduct:

Loss for the year

Balance January 31, 1964

		2,122,252
		182
		2,122,434
		393,005
		1,729,429

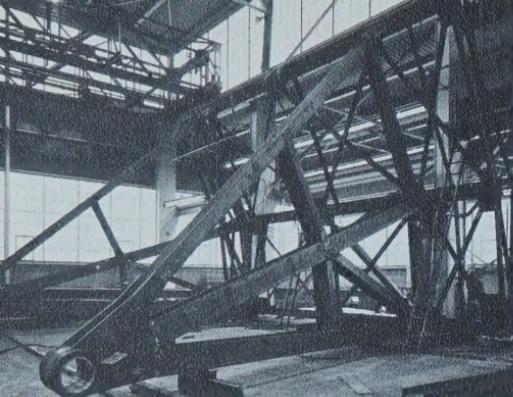
AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Canada Machinery Corporation, Limited as at January 31, 1964 and the statements of income and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and retained earnings are properly drawn up so as to exhibit, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, a true and correct view of the state of the affairs of the company as at January 31, 1964 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

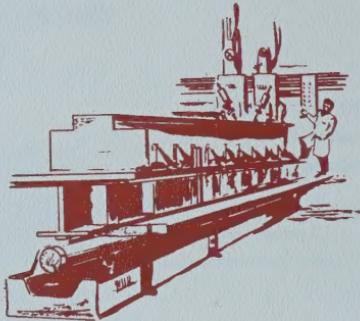
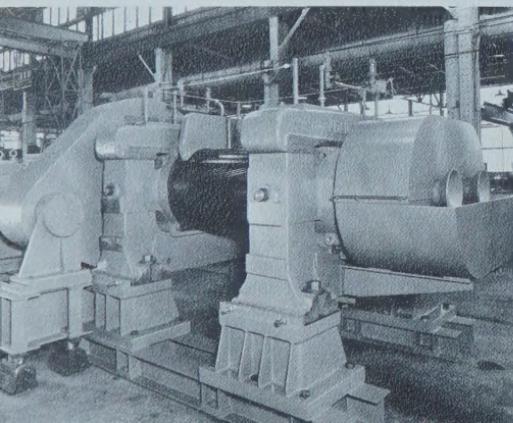
As required under Section 118 of the Companies Act 1934 (Canada), we report that results of operations of the subsidiaries, only one of which is an operating company, have not been reflected in the income of Canada Machinery Corporation, Limited for the year. No provision has been made in this statement for the company's proportion of the deficit of the wholly owned subsidiary since acquisition of its shares, which amounted to \$102,332 as at December 31, 1963.

McDONALD, CURRIE & CO.
Chartered Accountants



*One of two Radial Gates, 35 ft. x 33 ft.
for Great Lakes Power Company Limited*

Grinder for a rubber reclaiming mill



Products and Services

Machine Tools - Rail Anchors

Water Control Structures

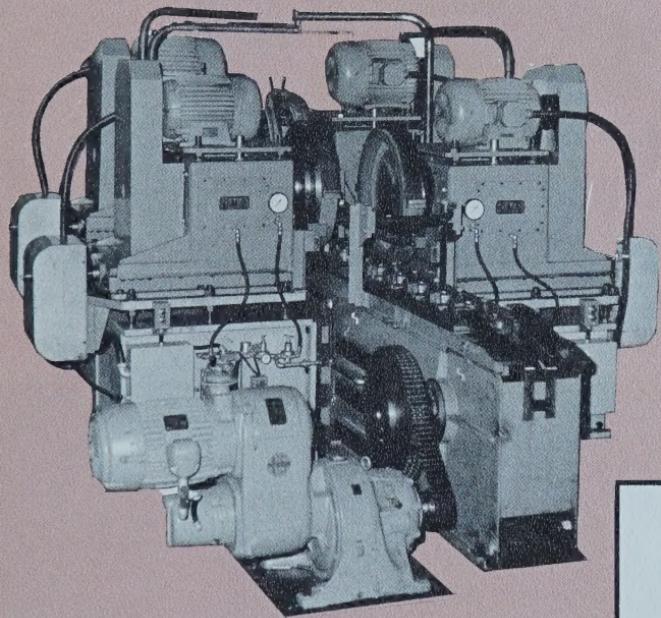
Steel Mill Conveying Equipment

Bridges - Hardboard Machines

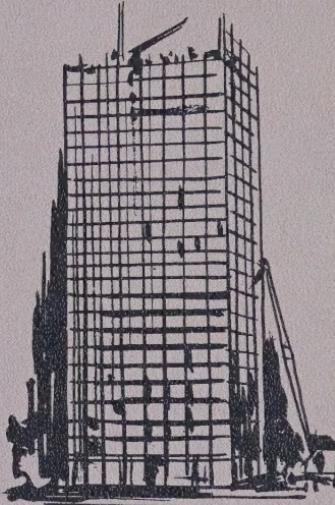
Tanks and Pressure Vessels

Custom-built Machinery

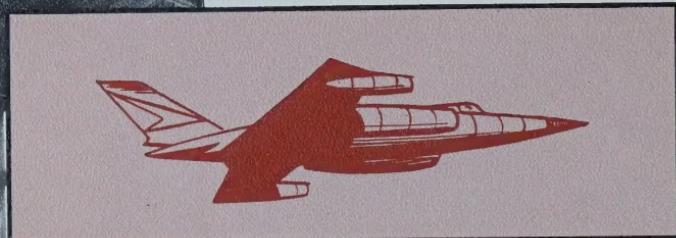
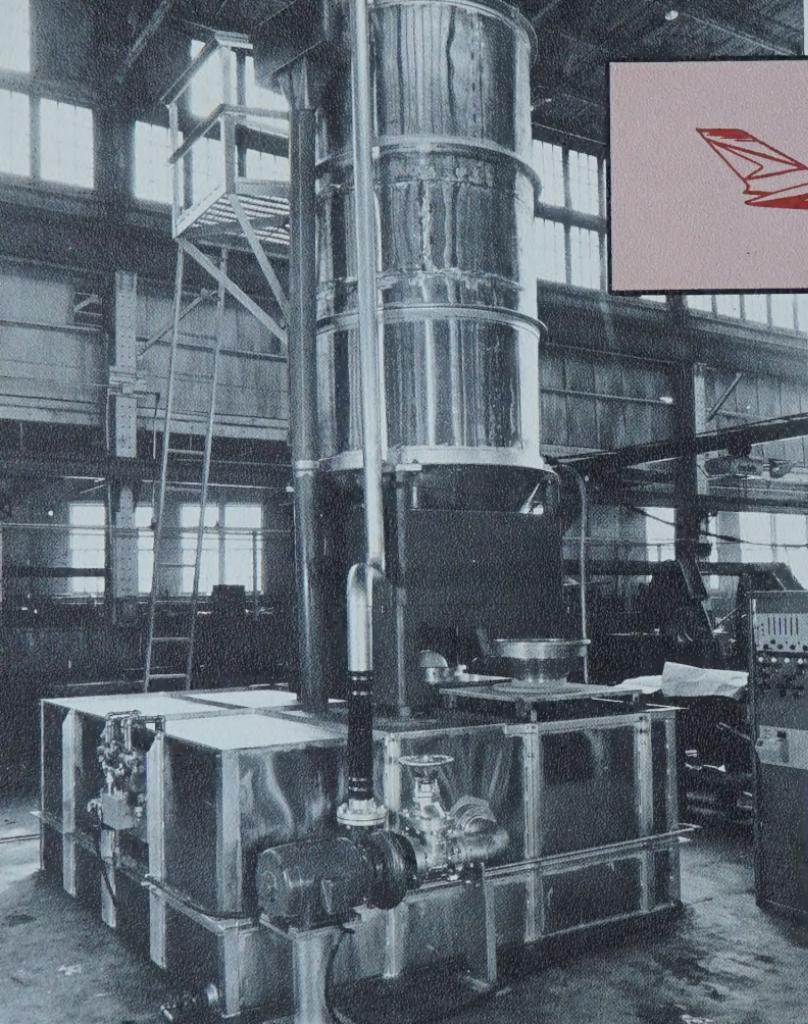
Custom Machining and Fabricating



C.M.C.

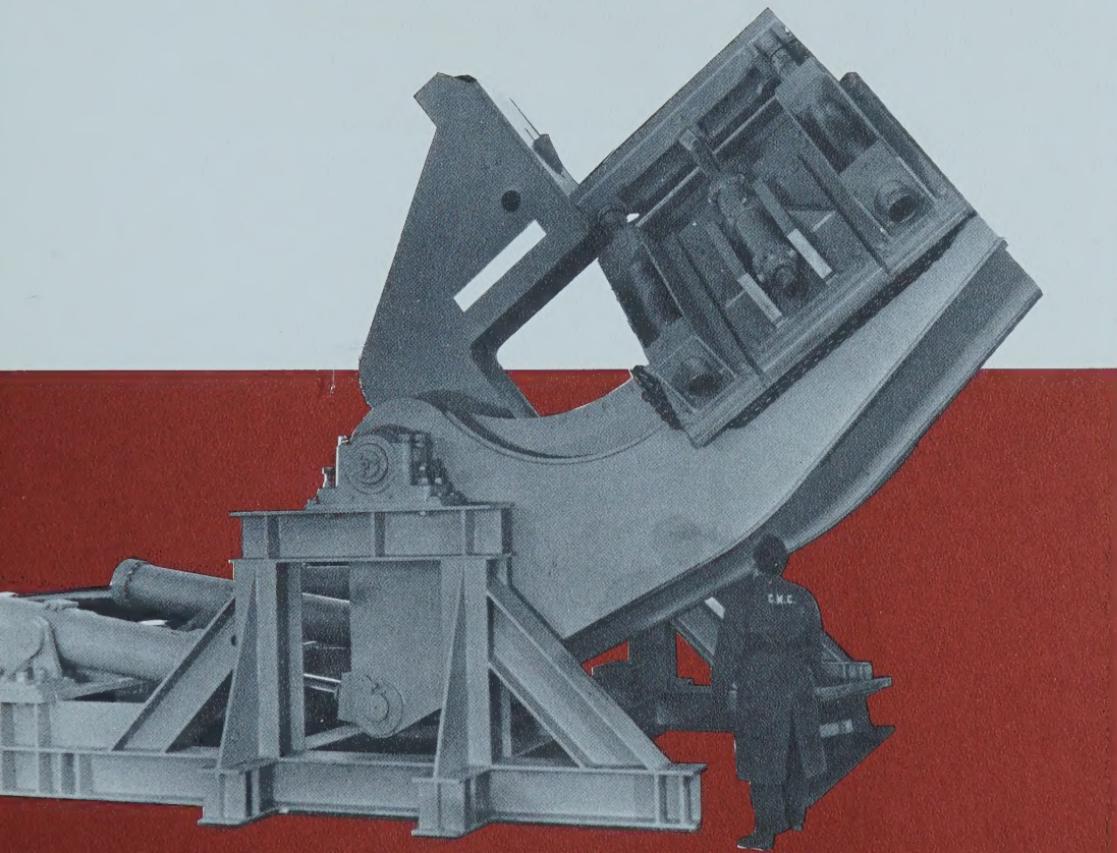


*Automatic Foundry Grinding Machine
exported to a major U.S. Automaker*



*Flow Test Fixture for precision
measuring of turbine nozzles*

C.M.C.



*Hydraulically
operated
Upender*



A Symbol of Quality